

THE WALL STREET JOURNAL.

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★★★★ \$4.00

DJIA 25822.29 ▲ 63.60 0.2% NASDAQ 7859.17 ▲ 0.5% STOXX 600 384.15 ▲ 0.2% 10-YR. TREAS. ▼ 7/32, yield 2.846% OIL \$67.35 ▲ \$0.92 GOLD \$1,192.60 ▲ \$5.80 EURO \$1.1571 YEN 110.30

What's News

Business & Finance

U.S. stocks are on the verge of surpassing their longest-running rally, ratifying a market rebound that began in the ashes of the financial crisis. **A1, B1**
◆ **The S&P 500 rose** Tuesday, closing 0.3% below its January record. The Dow advanced 63.60 points to 25822.29. **B11**

◆ **Toll Brothers reported** a 30% jump in profit, as the builder of high-end homes bucked weakness in the broader housing market. **A1**

◆ **JPMorgan is boosting** its digital investing service with free trades for customers, a move that shook the world of online brokerages. **B1**

◆ **American Airlines is** cutting some unprofitable international flights, as U.S. carriers adjust their plans to reflect higher fuel prices. **B1**

◆ **Fed officials are starting** to debate what the future mix of Treasuries in the central bank's portfolio should be. **B10**

◆ **Chinese banks are taking** on new risks as they try to lure savers, turning a previously obscure line of business into a \$1 trillion industry. **B10**

◆ **Uber named** its first finance chief in more than three years, with the firm's planned IPO targeted for 2019. **B5**

◆ **Retailers extended** a run of good news, with Kohl's and the parent of T.J. Maxx reporting strong results. **B3**

◆ **Slack raised** a new round of financing that values the firm at over \$7.1 billion. **B4**

◆ **PepsiCo's Frito-Lay**, the maker of Cheetos, has accused a rival snack called Peatos of trademark violations. **B3**

World-Wide

◆ **Cohen, pleading guilty** to eight criminal charges, told a judge that Trump had directed him during the 2016 campaign to buy the silence of two women who said they had affairs with Trump. **A1, A4**
◆ **Manafort was convicted** of eight charges related to bank and tax fraud, in the first trial to stem from Mueller's investigation. **A1, A4, A6**

◆ **Facebook dismantled** a new set of influence campaigns originating in Iran and Russia designed to sow division in global politics. **A3**

◆ **The Trump administration** set new sanctions against Russia, escalating pressure on Moscow as lawmakers push for even tougher measures. **A3**

◆ **GOP Sen. Collins said** Supreme Court nominee Kavanaugh told her he considered the Roe v. Wade abortion decision "settled law." **A3**

◆ **The administration** is likely pushing back its timetable for placing tariffs on auto imports, easing concerns of many in the industry. **A2**

◆ **Rep. Duncan Hunter** (R., Calif.) and his wife were indicted on charges of misusing campaign funds. **A3**

◆ **Venezuela's latest** economic overhaul, which includes a new, highly devalued currency, was greeted with confusion and anger. **A8**

◆ **Malaysia's prime minister** said he plans to defer or cancel some \$22 billion worth of Chinese-backed infrastructure projects. **A9**

◆ **The U.K.'s top diplomat** defended Britain's support for the Iran nuclear deal. **A7**

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Former Trump Advisers Guilty

Manafort Is Convicted In Key Test for Mueller

ALEXANDRIA, Va.—Former Trump campaign chairman Paul Manafort was convicted Tuesday of eight charges related to bank and tax fraud, in the first trial to stem from special counsel Robert Mueller's investigation.

By Aruna Viswanatha, Sadie Gurman and Julie Bykowicz

The 12-member Virginia jury reached the guilty verdict on eight counts after four days of deliberations, but couldn't agree on 10 additional counts of bank fraud and reporting violations Mr. Manafort faced. U.S. District Judge T.S. Ellis declared a mistrial on those counts. Mr. Manafort was convicted

of not paying taxes on more than \$16 million in income and lying to two banks when he sought millions of dollars in loans.

The onetime Trump campaign chief looked toward the jury and stood silently in court as the verdict was read aloud. He was flanked by his lawyers and expressed little emotion.

Mr. Mueller was directed to investigate alleged Russian interference in the 2016 election, including possible links to the Trump campaign. While Mr. Manafort's conviction wasn't related to those matters, Mr. Mueller was given license to pursue other charges that arose from his investigation.

Mr. Manafort's conviction Please turn to page A6



Michael Cohen leaving court.

Court Fallout

- ◆ Gerald F. Seib: Onetime ally now problem for Trump... A4
- ◆ After verdict, president calls probe 'witch hunt'... A6
- ◆ For additional coverage, go to WSJ.com

Cohen Says President Told Him to Pay Women

NEW YORK—Michael Cohen, the president's former personal lawyer, told a federal judge that Donald Trump had directed him during the 2016 campaign to buy the silence of two women who said they had affairs with Mr. Trump.

By Nicole Hong, Rebecca Ballhaus, Rebecca Davis O'Brien and Joe Palazzolo

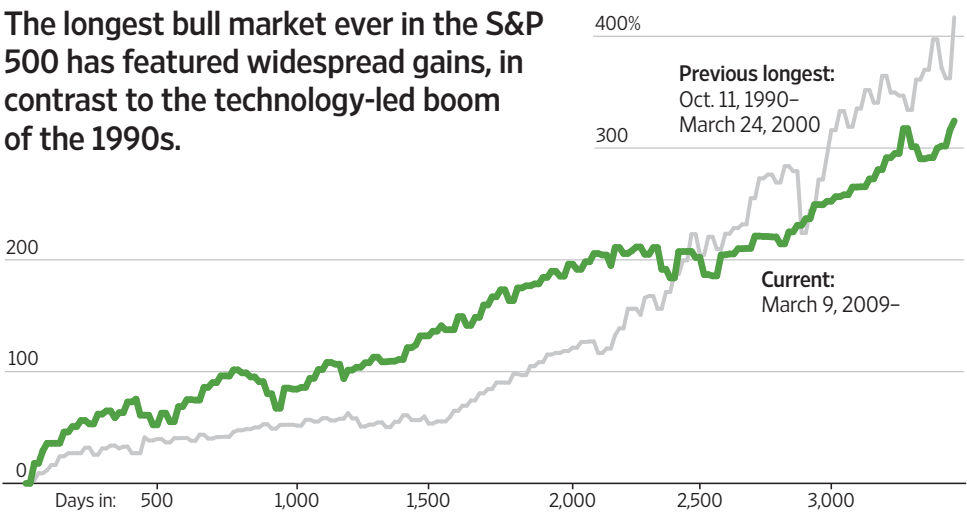
Mr. Cohen made the statement as he pleaded guilty Tuesday to eight criminal charges, including campaign-finance violations. He said he paid \$130,000 to adult-film actress Stephanie Clifford, known professionally as Stormy Daniels, and coordi-

nated a \$150,000 payment by the publisher of the National Enquirer to former Playboy model Karen McDougal.

Mr. Cohen, who has described himself as Mr. Trump's "fixer," said he made both payments "for the purpose of influencing the election" and acted at the direction of "the candidate," referring to Mr. Trump. That was the first time Mr. Cohen has admitted to coordinating with the president on the hush-money deals with women, both of which were first reported by The Wall Street Journal.

The surprising admission by Mr. Cohen directly implicated Mr. Trump in a federal crime, escalating pressure on the president. Three other Please turn to page A4

The longest bull market ever in the S&P 500 has featured widespread gains, in contrast to the technology-led boom of the 1990s.



S&P 500 sector performance then and now

	1990-2000 RUN	CURRENT RUN
Consumer discretionary	445%	622%
Consumer staples	175	180
Energy	134	74
Financials	608	461
Health care	338	317
Industrials	357	388
Information technology	1,697	540
Materials	133	240
Telecommunications	300	80
Utilities	64	139
Real estate		366

Sources: Dow Jones Market Data (S&P 500); FactSet (sectors)

Bull Market Set to Become Longest

By MICHAEL WURSTHORN AND AKANE OTANI

U.S. stocks are on the verge of surpassing their longest-running rally, ratifying a market rebound that began in the ashes of the financial crisis and defying those who have questioned its staying power.

Wednesday will mark 3,453 days since the S&P 500 hit its low of 666 on March 9, 2009. Since then, the broadest U.S. blue-chip index has more than

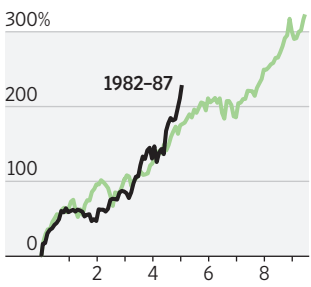
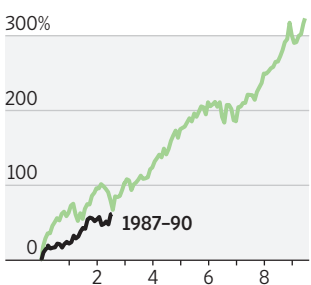
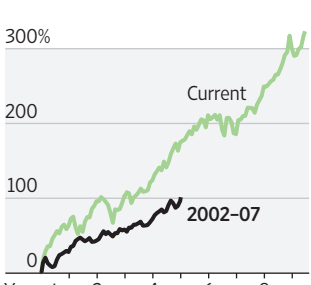
quadrupled in price terms, creeping within striking distance of its January record and outpacing most rival major global indexes.

The S&P tied the length of the longest bull run—set between 1990 and 2000—on Tuesday after the index rose to its first intraday record in nearly seven months. The S&P pared those gains later in the session to close up 0.2% at 2862.96, putting it just 0.3% from its previous closing high,

2872.87, set Jan. 26. The Dow Jones Industrial Average rose 63.6 points, or 0.2%, to 25822.29.

Tuesday's intraday S&P record shows the U.S. stock advance remains intact after nearly seven months of mostly sideways trading, traders and analysts said. The latest leg of the bull run for the S&P has been driven by booming economic growth in the U.S., as well as renewed strength in quarterly corporate earnings.

Other bulls



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Investors have also bet that the global economy will continue to expand at a steady pace even amid turbulence in some emerging markets such as Turkey and Venezuela.

The largest advances in recent months and years have been concentrated in the U.S. Please turn to page A8

- ◆ Jason Zweig: If you pull back from risk, take baby steps... B1
- ◆ JPMorgan rolls out free trades..... B1

Boomers Become Housemates

* * *

Sharing doesn't get easier with age; too many cats

By CHRISTINA REXRODE AND LAURA KUSISTO

Rika Mead got divorced a few years back, but didn't want to give up the dream home she'd bought outside Denver. So she forged a solution she hadn't considered in decades: She got a roommate.

Ms. Mead, 71 years old, has honed her criteria for cohabitants since then. A housemate may not own dogs, but must love Ms. Mead's two dogs, Bindi and Baku. They must not try to convert her to their religion. (It's happened.) And while Ms. Mead is no prude, she's at a point in life where men aren't welcome overnight. "I want my Please turn to page A10

What Does Knee Surgery Really Cost?

Few know, and that's a problem for health spending

By MELANIE EVANS

For nearly a decade, Gunderson Health System's hospital in La Crosse, Wis., boosted the price of knee-replacement surgery an average of 3% a year. By 2016, the average list price was more than \$50,000, including the surgeon and anesthesiologist.

Yet even as administrators raised the price, they had no real idea what it cost to perform the surgery. They set a price using a combination of educated guesswork and a canny assessment of market opportunity.

Prompted by rumblings from Medicare and private insurers over potential changes to payments, Gunderson decided to nail down the numbers. During an 18-month re-

view, an efficiency expert trailed doctors and nurses to record every minute of activity and note instruments, resources and medicines used. The hospital tallied the time nurses spent wheeling around VCR carts, a mismatch of available postsurgery beds, unnecessarily costly bone cement and delays dispatching physical therapists to get patients moving.

The actual cost? \$10,550 at most, including the physicians. The list price was five times that amount.

Competitive forces are out of whack in health care. Hospitals are often ignorant about their actual costs. Instead, they often increase prices to meet profit targets. Patients, especially those with insur-

Please turn to page A10

Salesforce. #1 CRM.

Ranked #1 for CRM Applications based on IDC 2017 Market Share Revenue Worldwide.

Source: IDC, Worldwide Semiannual Software Tracker, April 2018.

salesforce.com/number1CRM

CRM Applications market includes the following IDC-defined functional markets: Sales, Customer Service, Contact Center, and Marketing Applications. © 2018 salesforce.com, inc. All rights reserved. Salesforce.com is a registered trademark of salesforce.com, inc., as are other names and marks.